

## Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 1997:I–2003:IV

This report presents revised and updated estimates of real inventories, sales, and inventory-sales (I-S) ratios for manufacturing and trade. It presents quarterly estimates for 1997–2003 and monthly estimates for January 2000 to January 2004. These estimates update the estimates that were published in the February SURVEY OF CURRENT BUSINESS.<sup>1</sup> In addition, the revised estimates of sales and the I-S ratios for the retail trade industries have been corrected; as a result, the revised estimates of the sales and I-S ratios for total manufacturing and trade industries have also been corrected.

The I-S ratios for 1997 through the third quarter of 2001 were revised down (chart 1). The downward revisions were primarily accounted for by downward revisions to manufacturing and trade inventories, mainly to those in manufacturing and merchant wholesale trade industries.

For the fourth quarter of 2001 to the second quarter of 2002, the I-S ratios were revised up; the upward revisions were accounted for by downward revisions to manufacturing and trade sales. For the third quarter of 2002 to the third quarter of 2003, the ratios were revised up; the upward revisions were accounted for by downward revisions to manufacturing and trade sales and by upward revisions to manufacturing and trade inventories.

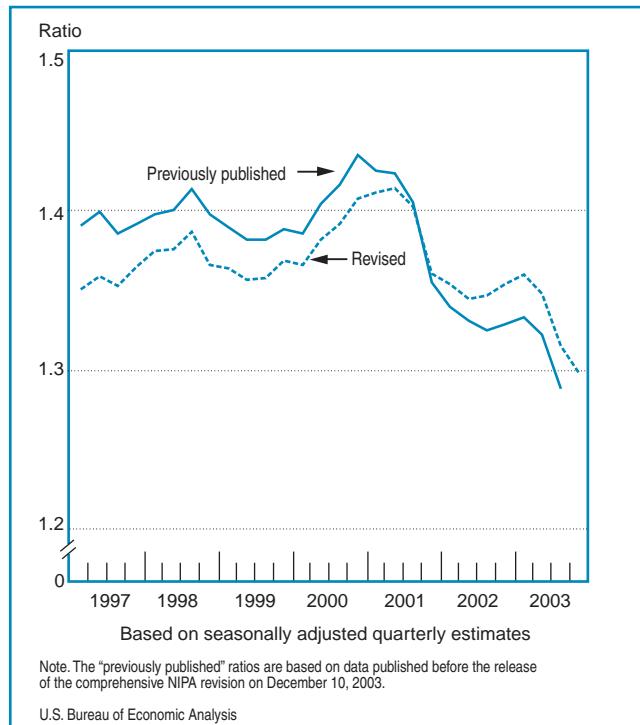
In table A, the revised I-S ratios for 1997–2002 are compared with BEA inventory-to-final-sales ratios that are published in NIPA tables 5.7.5B and 5.7.6B and Census Bureau inventory-to-sales ratios on a “pre-last-in-first-out” (pre-LIFO) basis. The pattern of the current-dollar I-S ratios that are based on pre-LIFO inventories differs from that of the current-dollar ratios that are based on replacement-cost inventories.

Tables 1B, 2B, 3B, and 4B present chain-weighted

quarterly and monthly estimates. Table 1B presents inventories, table 2B presents sales, and table 3B presents I-S ratios. Table 4B presents estimates of manufacturing inventories by stage of fabrication. The I-S ratios in table 3B supplement the quarterly current-dollar and real estimates of ratios of inventories to final sales of domestic business, of nonfarm business, and of goods and structures that are presented in NIPA tables 5.7.5B and 5.7.6B and the Census Bureau’s monthly inventories, sales, and I-S ratios for manufacturing and trade.

*Tables 1B through 4B follow.*

### Chart 1. Real Inventory-Sales Ratios for Manufacturing and Trade



1. See Jennifer Ribarsky, “Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 1997:I–2003:III,” SURVEY OF CURRENT BUSINESS 84 (February 2004): 178–191.

**Table A. Alternative Inventory-Sales Ratios: Fourth Quarters, 1997–2002**

	1997	1998	1999	2000	2001	2002
	Based on current dollars					
Using replacement-cost private inventories (NIPA table 5.7.5B):						
Inventories to final sales of domestic business.....	2.44	2.33	2.35	2.39	2.21	2.21
Nonfarm inventories to final sales of domestic business.....	2.19	2.12	2.15	2.18	2.01	2.01
Nonfarm inventories to final sales of goods and structures.....	3.82	3.67	3.76	3.85	3.59	3.71
Manufacturing and trade .....	1.42	1.44	1.41	1.41	1.44	1.40
Using pre-LIFO inventories (Census Bureau):						
Manufacturing and trade .....						
Using real private inventories (NIPA table 5.7.6B):						
Inventories to final sales of domestic business.....	2.60	2.59	2.60	2.62	2.55	2.53
Nonfarm inventories to final sales of domestic business.....	2.34	2.35	2.37	2.40	2.33	2.32
Nonfarm inventories to final sales of goods and structures.....	3.78	3.75	3.79	3.86	3.75	3.79
Manufacturing and trade .....	1.37	1.37	1.37	1.41	1.36	1.35

1. Inventory book values published by the Census Bureau include last-in-first-out (LIFO) reserve and are valued at current cost. See the Census Bureau release, “Manufacturing and Trade: Inventories and Sales.”

NOTE. The fourth-quarter ratios are calculated as end-of-quarter inventories divided by quarterly sales at monthly rates, with the exception of the current-dollar ratios for manufacturing and trade, which are calculated as averages of the monthly ratios published by the Census Bureau.

























